

# Bracing for Impact: Rural Pennsylvania Faces The Coronavirus

*Medicaid is an essential tool to help Pennsylvania's rural communities fight coronavirus.*

## Introduction

Rural Pennsylvanians are especially vulnerable to the coronavirus pandemic due to higher prevalence of pre-existing conditions, lower coverage rates, and other barriers to accessing health care. Medicaid plays a pivotal role in covering rural communities and supporting struggling rural hospitals in Pennsylvania. Ten years ago, the Affordable Care Act (ACA) opened the door for states to expand the Medicaid program, which has helped an estimated [1.7 million rural Americans](#) gain coverage. Pennsylvania was an early adopter of Medicaid expansion and saw its uninsured rate fall by 4 percent in rural parts of the state. To date, 37 states have expanded Medicaid under the ACA. In addition to covering [17 million people](#) nationwide, expansion has resulted in healthier people, communities and economies.

As the nation faces this unprecedented health care crisis, Medicaid expansion is especially important for reducing uncompensated care costs and protecting rural hospitals from financial peril. Even though it is clear that Medicaid expansion is a lifeline for rural communities, President Trump and his Republican allies are continuing to wage a war on the program by working to sabotage enrollment and fighting to end expansion altogether.

## By The Numbers: Rural Health In Pennsylvania

- 12 percent of Pennsylvania adults living in rural areas are [uninsured](#), compared to 9 percent living in nonrural areas.
- Since the Affordable Care Act, the uninsured rate [has fallen by](#) 4 percent in rural parts of Pennsylvania.
- 22 percent of Pennsylvanians living in rural areas have health coverage [through](#) Medicaid.
- The Affordable Care Act led to a \$224 million reduction in Pennsylvania hospitals' uncompensated care costs. Between 2013 and 2015, Pennsylvania hospitals' uncompensated care costs [decreased by](#) \$224 million, or roughly 25 percent.
- By expanding Medicaid, Pennsylvania helped 800,900 Pennsylvanians gain coverage through the program.
- In Pennsylvania, where lawmakers expanded Medicaid, four rural hospitals [have closed](#) since 2010, both of which closed before the state expanded its program. These hospitals include:

UPMC Susquehanna Sunbury (*Closed in 2020*)

Ellwood City Medical Center (*Closed in 2019*)

Mid-Valley Hospital (*Closed in 2014*)

Saint Catherine Medical Center Fountain Springs (*Closed in 2012*)

## Coronavirus Outbreak: Where Pennsylvania Stands

Number Of Pennsylvania Cases Reported: [33,232](#)

Number Of Pennsylvania Deaths: [1,204](#)

Total Number Of Tests In Pennsylvania: [162,952](#)

## Why Medicaid Is So Important As Pennsylvania's Rural Communities Fight Coronavirus

The country is now facing an unparalleled public health crisis. Thousands of Americans have already died from coronavirus and millions of people are at risk of getting sick. At the same time, millions are losing their jobs and, oftentimes, their employer-sponsored coverage as they are being urged to stay home. In a time of such uncertainty, the last thing people in this country should worry about is the threat of mounting medical bills.

The Medicaid program is a key response tool for this global health crisis. Unlike private insurance, people do not need to wait for a special enrollment period and can enroll whenever they need care. Medicaid can provide retroactive coverage to people who get sick, ensuring providers can provide emergency care without worrying about uncompensated care costs. Importantly, Medicaid funding can increase in response to a public health crisis like coronavirus.

Medicaid expansion in particular is important because it allows childless adults to enroll in the program. Many of the [people who have lost jobs so far](#) are young adults and low-income workers. In states that have rejected expansion, many of these individuals are likely locked out of receiving Medicaid coverage.

[22 million people](#) nationwide, including thousands of [Pennsylvanians](#), have already lost their jobs due to coronavirus. At least [9.2 million](#) have lost their employer-sponsored coverage as a result of the pandemic. This figure is only expected to skyrocket: economists have estimated that [up to 35 million people](#) could lose their job-based coverage during the pandemic. It is especially important for these families to have Medicaid to turn to for coverage in this public health emergency.

Uninsured people are particularly vulnerable as they face the possibility of coronavirus and devastating health care bills. Low-income individuals are especially at risk for being exposed to the virus, as they are often service workers deemed essential and are unable to practice social distancing. The Kaiser Family Foundation that [2 million uninsured patients](#) could be hospitalized due to the virus, threatening to leave them with [tens of thousands](#) in medical bills.

## **Medicaid Expansion Is A Lifeline For Rural Hospitals**

*Medicaid Expansion Keeps Hospitals Open:*

**Rural Hospitals In Medicaid Expansion States Are 62 Percent Less Likely To Close.** "But there was one other leading indicator that has an obvious political explanation and which should be entirely avoidable: whether the hospital is in a state that expanded Medicaid under Obamacare. According to Chartis, being in a Medicaid expansion state decreases by 62 percent the likelihood of a rural hospital closing. Conversely, being in a non-expansion state makes it more likely a rural hospital will close." [Vox, [2/18/20](#)]

**75 Percent Of Vulnerable Rural Hospitals Are In Non-Expansion States.** "The states that have experienced the most rural hospital closures over the last 10 years (Texas, Tennessee, Oklahoma, Georgia, Alabama, and Missouri) have all refused to expand Medicaid through the 2010 health care law. It seems their rural hospitals are paying the price. Of the 216 hospitals that Chartis says are most vulnerable to closure, 75 percent are in non-expansion states. Those 216 hospitals have an operating margin of negative 8.6 percent." [Vox, [2/18/20](#)]

**77 Of 106 Hospital Closures Over The Past Decade Were In States That Refused To Expand Medicaid.** "Rural America is in the midst of a deep and prolonged crisis that resulted in 106 hospital closures since 2010. Nearly 700 more are on shaky ground, and nearly 200 are on the verge of collapse right now, according to reports from Massachusetts consulting firm iVantage Health Analytics and the Sheps Center for Health Services Research at the University of North Carolina in Chapel Hill. Hospitals faring the worst are mainly in states that refused to expand Medicaid. Those states account for 77 of the 106 closures over the past decade. They also are home to a greater percentage of money losing facilities and lower collective profit margins." [Gatehouse News, [7/28/19](#)]

*Coverage Confirms Pennsylvania's Hospitals Are Bracing For Impact*

**Kathy Wonderly, Retired Registered Nurse And Consultant For The Healthcare Council Of Western Pennsylvania, Said Rural Health Care Providers Are Already "Suffering From Tight Supplies Of PPE."** "Given the unprecedented contagion rate of coronavirus, rural health experts say a surge in COVID-19 cases would overwhelm the ability and

### **Medicaid Plays A Central Role In Rural Health Coverage**

**Medicaid Covers Nearly One In Four Rural Americans.** Medicaid covers nearly [24 percent](#) of rural Americans, [45 percent](#) of rural children, [15 percent](#) of rural seniors, and pays for [51 percent](#) of rural births.

**1.7 Million Rural Americans Gained Coverage From Medicaid Expansion.** Nearly [1.7 million](#) rural Americans gained coverage through Medicaid expansion under the Affordable Care Act (ACA). The uninsured rate for low-income adults [dropped from 35 percent to 16 percent](#) in rural areas and small towns in states that expanded Medicaid.

**Medicaid Expansion Helped Reduce Uncompensated Care Costs.** The ACA led to a \$12 billion reduction in uncompensated care costs. Between 2013 and 2015, hospitals' uncompensated care costs decreased by [\\$12 billion](#), or roughly 30 percent. The majority of this reduction was concentrated in states that chose to expand Medicaid.

capabilities of some of the state's smallest and most isolated hospitals. Some worry about hospitals having enough 'PPE,' the acronym for personal protective equipment, which include facemasks, shields and gloves. 'What I'm hearing from a few health care providers is that they are not seeing any significant influx of patients but already they are suffering from tight supplies of PPE,' said Kathy Wonderly, a retired registered nurse and consultant for the Healthcare Council of Western Pennsylvania." [The Patriot-News, [4/3/20](#)]

- **Wonderly: "I Don't Think Any Small Communities Up Here Are Ready For A Surge."** "'I don't think any small communities up here are ready for a surge, to be very honest with you,' said Wonderly, who lives in Elk County. 'Two of the hospitals are critical action hospitals, which have 25 beds. Nobody in this area could handle a real surge and 20 patients in a day would fill their hospital. Twenty patients in a big city hospital is a normal day.'" [The Patriot-News, [4/3/20](#)]

**Dr. Robert Morgenstern, Chief Medical Officer At Sharon Regional Medical Center, Said That The Pandemic Is Causing Economic Hardship For Rural And Community Hospitals: "Community Hospitals Like Ours Face Serious, Immediate Cash Interruptions."** "'The COVID -19 pandemic is causing economic hardship that is challenging Pennsylvania's rural and community hospitals,' said Dr. Robert Morgenstern, Chief Medical Officer at Sharon Regional Medical Center in Mercer County. 'This is particularly true for hospitals serving high numbers of Medicare, Medicaid and uninsured patients. Due to cancellation of elective procedures, patients deferring non-emergency medical care, and interruptions on the payer side, community hospitals like ours face serious, immediate cash interruptions.'" [The Patriot-News, [4/3/20](#)]

**Lisa Davis, Director Of The Pennsylvania Office Of Rural Health, Said "We've Seen Less Of An Outbreak But That Does Not Mean They Are Immune And It Also Does Not Mean It's Not Coming."** "'We've seen less of an outbreak but that does not mean they are immune and it also does not mean it's not coming,' said Lisa Davis, director of the Pennsylvania Office of Rural Health... 'Already small rural hospitals are more financially challenged and also it is more difficult for them to attract and retain primary care providers especially when looking at physicians and specialists,' Davis said." [The Patriot-News, [4/3/20](#)]

### **Trump And Republicans' War On Medicaid Makes Threatens The Coronavirus Response**

Since taking office, the Trump administration and its Republican allies have tried time and again to slash funding for Medicaid and impose burdensome work requirements on coverage. These efforts include:

**Trump Wants To Repeal Medicaid Expansion Through His Texas Lawsuit To Overturn The ACA.** The Trump administration is currently backing a lawsuit to overturn the Affordable Care Act and, if they are successful, 20 million people would lose insurance and protections for pre-existing conditions would be eliminated overnight. The lawsuit would also terminate Medicaid expansion, threatening to rip away coverage from 17 million and cut key funding for already-struggling rural hospitals during the pandemic. If Trump gets his way, [858,000 Pennsylvanians](#) could lose coverage and protections for [5,253,600 Pennsylvanians](#) with pre-existing conditions would be eliminated overnight.

**Trump Continues To Support Medicaid Block Grants.** Under the Trump administration's recently finalized [block grant](#) proposal, federal funding would no longer necessarily increase in response to a public health emergency like coronavirus. This could lead to people losing coverage and access to care, undermining prevention and treatment of diseases nationwide.

**Trump Paved The Way For Medicaid Work Requirements.** The administration has encouraged states to impose illegal work requirements on Medicaid beneficiaries that are designed to throw people off coverage. When Arkansas imposed the nation's first work requirement program, [18,000 people lost coverage](#). The policy has since been struck down by the courts. While the federal government has temporarily [halted](#) any state efforts to impose new eligibility requirements that make it more difficult to enroll, including work requirements, states like [Oklahoma and Utah](#) are continuing to pursue Medicaid work requirements and other enrollment restrictions.

**Trump Wants To Gut The Medicaid Budget.** Trump has repeatedly sought deep health care cuts in his budget proposals, most recently seeking [more than a trillion in cuts](#) to Medicaid and the Affordable Care Act for 2021. This budget

essentially ends Medicaid expansion by [eliminating](#) the enhanced federal payment and proposes nationwide work requirements.